



**State of Arkansas
Office of Procurement (OP)
Arkansas Department of Human Services (DHS)
Division of Medical Services (DMS)
Expanded Medicaid Evaluation
ARWorks Program**

IFB No.: 710-19-1020

May 9, 2019

Pricing Packet

Submitted to:

Department of Human Services
Office of Procurement
700 Main Street
Little Rock, AR 72201

Submitted by:

GENERAL DYNAMICS
Information Technology

General Dynamics Information Technology, Inc.
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OFFICIAL BID PRICE SHEET

DESCRIPTION OF SERVICE	ANNUAL PRICE
Expanded Medicaid Evaluation	\$ 886,830.95

AUTHORIZATION SIGNATURE

By my signature below, I certify that the aforementioned statements are true and correct and (has) (accept) the Terms and Conditions as presented in this bid, and that I am authorized by the respondent to submit this bid on his/her behalf.

Vendor Name: General Dynamics Information Technology, Inc.	Date: May 7, 2019
Signature: <i>Dorothy E. Proha</i>	Title: Contracts Administrator, Senior
Printed Name: Dorothy E. Proha	

1. JUSTIFICATION OF PRICES

GDIT submits this Justification of Prices in response to Invitation For Bid (IFB) Number 710-19-1020 Expanded Medicaid Evaluation for State of Arkansas, Department of Human Services (DHS), Division of Medical Services (DMS), Office of Procurement (OP). This Justification of Prices provides GDIT's cost estimating methodology for the Expanded Medicaid Evaluation and our pricing response to meet the requirements of the IFB. GDIT validates data against similar work along with multiple external benchmarks, and ensures price estimates are consistent with industry best practices and meet the IFB requirements. Additionally, GDIT has conducted a thorough and extensive review of the proposed staffing to ensure the appropriate staffing levels are met to support the IFB Statement of Work (SOW).

CONTRACT TYPE AND BILLING

GDIT anticipates an award of a Fixed Price (FP), scheduled reimbursement contract. GDIT will submit a monthly invoice, which equates to 1/12th of the amount stated in this document with 30 days net payment term.

PLACE OF PERFORMANCE

GDIT anticipates work to be performed at GDIT facilities.

PERIOD OF PERFORMANCE

The period of performance for the resultant contract award is for one year anticipated to start on 07/01/2019, with the option of renewing on a year-to year basis for up to six (6) additional one-year terms.

INDEPENDENT PRICE DETERMINATION

GDIT confirms that the pricing in connection with this bid has been arrived at independently and without collusion. Further, that no prior information concerning the pricing has been received from, or given to, a competitive company.

1.2 Direct Labor Rates – Fairness and Realism

GDIT has a long history and experience working in monitoring and evaluation and research fields in multicultural environments. GDIT knows that our employees are our most important asset. We take an integrated management approach to attract, motivate, and retain a highly qualified workforce to meet the needs and expectations of our customers. To sustain our competitiveness in the labor market, we strive to maintain flexibility in our total compensation strategy, policies, and practices. Our compensation plans have passed Defense Contract Audit Agency (DCAA) audit review within the last 3 years. GDIT provides compensation that is competitive, equitable, and reflective of the employee's responsibility, performance, and contribution to the contract's success. GDIT benchmarks its pay practices and ranges against local and national markets by participating in and subscribing to various salary surveys. GDIT has experience employing and providing these same types of resources to Federal and State

agencies nationwide. We can ensure that our proposed direct labor will be realistic and reasonable for the reasons that follow.

GDIT developed its direct labor rates in accordance with the GDIT Compensation Plan. The plan is based on the market pricing analysis of six different professional salary surveys.

Our human resources department and technical management team determined the labor level and skill levels required to perform the foreseeable requirements under this contract in accordance with the GDIT Compensation Plan.

GDIT has applied our fringe, overhead, General, and Administrative (G&A) indirect burdens on all GDIT labor costs incurred during performance of this effort.

1.3 Indirect Rates

The work under the resulting contract will be performed by GDIT's Federal Civilian Division, specifically the Health Sector. GDIT uses a total cost input accounting methodology and develops its indirect Forward Pricing Rates (FPRs) annually based on our current business forecast and requirements, as well as historical data. Our extensive bottoms-up development of indirect bid rates ensures that the applied indirect burdens represent the most accurate and reasonable assessment of costs. GDIT applies its provisional indirect rates to contract costs.

GDIT is currently utilizing rates based on our FY19 through FY21 proposed Forward Pricing Rates. The GDIT 2019-2021 Forward Pricing Rates were submitted to the Defense Contract Management Agency (DCMA) on December 21, 2018. All rates are verifiable with DCAA/DCMA.

1.3.1 Fringe Benefits

GDIT operates with company-wide fringe benefit rates for all exempt and non-exempt employees. We recognize that competitive benefits are critical to attracting and retaining employees with superior talent and motivation. Faced with ever-increasing health care and fringe costs, GDIT developed a flexible program of benefits that meets the needs of employees while keeping costs under control. Within the benefits offerings, GDIT seeks to provide each employee with maximum flexibility to choose the specific benefits that best suit his or her situation. The fringe benefits pool includes elements such as paid time off, health care, life insurance, federal and state unemployment taxes, and retirement savings plans. The fringe benefit rates are applied to direct labor cost.

1.3.2 Overhead

We have used the Federal Civilian contractor site overhead pool for the staff working within GDIT's facility. The overhead rates are applied to direct labor cost plus associated fringe benefits. This overhead pool includes indirect costs such as professional services, indirect travel and subsistence, service center allocations, and other costs that cannot be directly identified with a specific contract.

1.3.3 General and Administrative (G&A)

The applied Federal Civilian General and Administrative (G&A) indirect rate represents the overall administration of the Federal Civilian division to ensure timely and effective management of business activities. The G&A rate is applied to direct labor, fringe benefits, overhead, travel, Other Direct Costs (ODCs), and material handling. The G&A pool includes costs related to the general management and administration of HCSD and GDIT, as well as service center allocations.

1.4 Travel

GDIT has not proposed travel costs based on the understanding of the requirements in the IFB. Should travel be required, GDIT will provide a proposal for the additional travel costs. All travel proposed would be in accordance with Joint Travel Regulations (JTR) and/or Federal Travel Regulations (FTR). GDIT will apply G&A indirect burden on all direct travel costs incurred during performance of this effort.

1.5 Other Direct Costs (ODCs)

GDIT has proposed other direct costs based on our understanding of the requirements in the IFB. Should additional ODCs be required, GDIT will provide a proposal for the additional ODC costs. GDIT will apply our Material Handling and G&A indirect burdens on all ODC costs incurred during performance of this effort.

1.6 Subcontractors

GDIT has engaged the Public Consulting Group, Inc. (PCG) for this IFB.

1.7 Price Escalation

GDIT understands price increases will be considered at the time of contract renewal as stipulated in IFB Section 3.7. GDIT will provide a written request for the price increase with justification to support the request for increases.

1.8 Validity of Proposal

GDIT's proposal is valid for a period of 120 calendar days from the date of this submission.